



Life Is On

Schneider  
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ORIGINAL

Arizona Corporation Commission  
ON Semiconductor  
DOCKETEDTUCSON  
EMERGING  
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DISTRICT

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January 21, 2020

Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, AZ 85007-2996

JAN 21 2020

DOCKETED BY

**Re: Docket No. RU-00000A-18-0284, Business Support for Increased Renewable Energy and Energy Efficiency Standards**RECEIVED  
AZ CORP COMMISSION  
DOCKET CONTROL  
2020 JAN 21 P 3:02

Dear Chairman Burns and Members of the Arizona Corporation Commission,

As major businesses, employers, and large energy consumers in Arizona, we are committed to increasing the use of renewable energy and energy efficiency in the state. Given our preferences for clean and affordable energy resources, we write to express our support for a strong, enforceable renewable energy standard and tariff (REST) and electric energy efficiency standard (EEES). We further recommend that the Commission consider requiring Arizona utilities adopt a robust carbon emissions reduction target that is based on the latest climate science. We oppose transitioning to voluntary clean energy standards, which would lead to increased energy costs and stifle economic growth by creating prolonged uncertainty for businesses operating in Arizona.

By enabling investment in renewables and energy efficiency, the REST and EEES can drive economic growth for Arizona. States with robust clean energy standards create policy certainty--attracting companies seeking to make long-term investments consistent with their sustainability and financial goals. A growing number of companies, both large and small, have set goals to reduce greenhouse gas emissions, procure renewable energy, and invest in energy efficiency.<sup>1</sup> Clean energy helps businesses save money, hedge against volatile fuel prices, and stay competitive. In fact, a 2017 analysis shows clean energy saved U.S. companies nearly \$3.7 billion a year, freeing up significant capital that we can reinvest into our businesses, students, employees, and local communities.<sup>2</sup>

As companies work to meet financial and sustainability goals, corporate renewable energy procurement has surged in Arizona and nationwide.<sup>3</sup> We strongly support an ambitious, enforceable REST in order to increase the renewable content of our firm power supply. In parallel, we hope that our commitment to clean energy be acknowledged and ask the Commission to minimize additional costs associated with an increased REST, including capacity and other payments, for customers who enter into contracts to procure renewable energy resources that meet or exceed the requirements of the REST.

Arizona's current clean energy policies are delivering significant benefits to the state, employing nearly 52,000 Arizonans.<sup>4</sup> The REST encourages renewable energy development that has stimulated more than \$9 billion in economic activity and resulted in more than \$16 million in tax revenues in Arizona's rural areas alone.<sup>5</sup> From 2008-2016, energy saving efforts implemented by the state's three largest utilities have created nearly \$3 billion in net economic benefits, saving families and businesses money on their

<sup>1</sup> Ceres. "Power Forward 3.0: How the largest U.S. companies are capturing business value while addressing climate change" April 15, 2017. <https://www.ceres.org/resources/reports/power-forward-3>.

<sup>2</sup> Ibid.

<sup>3</sup> Business Renewables Center. "Corporate Renewable Deals 2014 - 2018" <https://businessrenewables.org/corporate-transactions/>.

<sup>4</sup> National Association of State Energy Officials and Energy Futures Initiative. "The 2019 U.S. Energy & Employment Report" March 2019. <https://static1.squarespace.com/static/5a98cf80ec4eb7c5cd928c61/t/5c7f375515fcc0964aa19491/1551841115357/USEER+Energy+Employment+by+State.pdf>.

<sup>5</sup> The Western Way and Yuma County Chamber of Commerce. "The Economic Benefits of Arizona Rural Renewable Energy Facilities" March 2019. [https://static1.squarespace.com/static/5734cf71b6aa60fb98e91bf2/t/5c926754fa0d604271b0b424/1553098585894/Western+Way\\_AZ+Rural+Renewable+Econ+Impact\\_Final.pdf](https://static1.squarespace.com/static/5734cf71b6aa60fb98e91bf2/t/5c926754fa0d604271b0b424/1553098585894/Western+Way_AZ+Rural+Renewable+Econ+Impact_Final.pdf).

energy bills.<sup>6</sup> Undermining Arizona's REST and the EEES by making the standards voluntary would threaten the economic vitality, competitiveness, and growth of the state.

Utilities across the Southwest are also adopting ambitious goals to reduce carbon emissions.<sup>7</sup> Carbon reduction targets lead to increased use of renewable energy and energy efficiency, providing the necessary market signals for businesses to make additional investments in Arizona and ensure job growth continues in the state's clean energy economy.

We recognize the significant economic opportunity presented by renewable energy and energy efficiency. As such, we urge you to support Arizona's growing clean energy economy by protecting and strengthening Arizona's clean energy standards. Thank you for your consideration.

Sincerely,

**Ball Corporation**  
**ON Semiconductor**  
**Reclim**  
**Schneider Electric**  
**Tucson 2030 District**

*For additional information or to connect with the signatories, please contact Emily Duff, Senior Associate for State Policy at Ceres ([duff@ceres.org](mailto:duff@ceres.org)).*

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<sup>6</sup> Southwest Energy Efficiency Project. "Arizona Electric Utility Energy Efficiency Programs: A Success Story" August 2017. <https://www.swenergy.org/Data/Sites/1/media/az-success-story-utility-ee-2017-final.pdf>.

<sup>7</sup> In 2018, Xcel Energy announced it will reduce its emissions by 80% and will rely on 100% carbon-free energy by 2050; see Xcel Energy, "Building a Carbon-Free Future: Our bold vision for 2030 and 2050," [https://www.xcelenergy.com/environment/carbon\\_reduction\\_plan](https://www.xcelenergy.com/environment/carbon_reduction_plan). The Public Service Company of New Mexico has proposed to reduce its emissions ~75% below 2005 levels by 2035, see Public Service Company of New Mexico, Figure 44. Tons of CO2 With and Without PVNGS, PNM 2017-2036 Integrated Resource Plan, July 3, 2017; and Public Service Company of New Mexico, "Annual Carbon Emissions (metric tons), PNM 2014 IRP," <https://www.pnm.com/documents/396023/428017/092613-carbon-emissions.pdf/0361224b-8e12-4765-9c82-a2149252d964>; see also PNM Resources, "Climate Change Report," <http://www.pnmresources.com/about-us/sustainability-portal/climate-change-report.aspx>, in which PNM states that it has set goals for its electricity generation to be 70% carbon-free by 2032 and to achieve an 87% reduction in carbon emissions below 2005 levels by 2040. In 2019, Salt River Project approved changes to its 2035 Sustainability Goals, which includes a goal to reduce the amount of carbon dioxide emitted by generation (per MWh) by 62% from 2005 levels and by 90% by fiscal year 2050, see: <https://media.srpnet.com/srp-board-approves-stronger-more-aggressive-sustainability-goals/>.